

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

W-02062A  
Southland Utilities Company, Inc.  
2730 E. Broadway, Ste 135  
Tucson, AZ 85716

RECEIVED

ARIZONA CORP COM  
REGISTRY UTILITIES

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

4-15-08

SCANNED

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Southland Utilities Company, Inc.</u>			
<b>Mailing Address</b> <u>2730 East Broadway, Suite 135</u>			
<u>Tucson</u>		<u>Arizona</u>	<u>85716</u>
(City)		(State)	(Zip)
<u>(520) 327-6000</u>		<u>(520) 327-6184</u>	<u>N/A</u>
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Cell No. (Include Area Code)
<b>Email Address</b> <u>N/A</u>			
<b>Local Office Mailing Address</b> <u>4148 Golden Acres Drive</u>			
<u>Sierra Vista</u>		<u>Arizona</u>	<u>85650</u>
(City)		(State)	(Zip)
<u>(520) 378-6200</u>		<u>(520) 378-2085</u>	<u>N/A</u>
Local Office Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Cell No. (Include Area Code)
<b>Email Address</b> <u>N/A</u>			

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Andrew L. Romo</u>			
		<u>President</u>	
(Name)		(Title)	
<u>2730 East Broadway, Suite 135</u>		<u>Tucson</u>	<u>Arizona</u>
(Street)		(City)	(State)
<u>(520) 327-6000</u>		<u>(520) 327-6184</u>	<u>N/A</u>
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Cell No. (Include Area Code)
<b>Email Address</b> <u>N/A</u>			
<b>On Site Manager:</b> <u>F. G. Heeren</u>			
		<u>(Name)</u>	
<u>4148 Golden Acres Drive</u>		<u>Sierra Vista</u>	<u>Arizona</u>
(Street)		(City)	(State)
<u>(520) 378-6200</u>		<u>(520) 378-2085</u>	<u>N/A</u>
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Cell No. (Include Area Code)
<b>Email Address</b> <u>N/A</u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

<b>Statutory Agent:</b> <u>Sidney Mendelsohn, Jr.</u>			
(Name)			
<u>6301 North Dundedin Place</u>	<u>Tucson</u>	<u>Arizona</u>	<u>85718</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 325-7500</u>	<u>(52) 323-6614</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Attorney:</b> <u>John O'Hare</u>			
(Name)			
<u>3865 North Tucson Blvd.</u>	<u>Tucson</u>	<u>Arizona</u>	<u>85716</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 881-2308</u>	<u>N/A</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b> <u>N/A</u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |   |                                   |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM             | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA           | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA               | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI            | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |   |                                   |

**COMPANY NAME**

Southland Utilities Company, Inc.

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	N/A	N/A	N/A
302	Franchises	N/A	N/A	N/A
303	Land and Land Rights	1,070	N/A	1,070
304	Structures and Improvements	21,549	20,067	1,482
307	Wells and Springs	30,144	20,318	9,826
311	Pumping Equipment	70,567	(22,958)	93,525
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	48,806	45,334	3,472
331	Transmission and Distribution Mains	209,091	179,383	29,708
333	Services	41,070	41,068	2
334	Meters and Meter Installations	61,474	13,892	47,582
335	Hydrants	N/A	N/A	N/A
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	N/A	N/A	N/A
340	Office Furniture and Equipment	2,494	694	1,800
341	Transportation Equipment	N/A	N/A	N/A
343	Tools, Shop and Garage Equipment	N/A	N/A	N/A
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	N/A	N/A	N/A
347	Miscellaneous Equipment	1,850	816	1,034
348	Other Tangible Plant	N/A	N/A	N/A
	<b>TOTALS</b>	488,115	298,614	189,501

This amount goes on the Balance Sheet Acct. No. 108

See Accountant's Compilation Report

COMPANY NAME

Southland Utilities Company, Inc.

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	N/A	N/A	N/A
302	Franchises	N/A	N/A	N/A
303	Land and Land Rights	1,070	5%	N/A
304	Structures and Improvements	21,549	5%	109
307	Wells and Springs	30,144	5%	531
311	Pumping Equipment	70,567	5%	2,681
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	48,806	5%	(894)
331	Transmission and Distribution Mains	209,091	5%	2,978
333	Services	41,070	5%	0
334	Meters and Meter Installations	61,474	5%	3,189
335	Hydrants	N/A	N/A	N/A
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	N/A	N/A	N/A
340	Office Furniture and Equipment	2,494	5%	99
341	Transportation Equipment	N/A	N/A	N/A
343	Tools, Shop and Garage Equipment	N/A	N/A	N/A
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	N/A	N/A	N/A
347	Miscellaneous Equipment	1,850	5%	93
348	Other Tangible Plant	N/A	N/A	N/A
	<b>TOTALS</b>	<b>488,115</b>		<b>8,786</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

\* Less Amortization of Contributions in Aid of  
Construction  
Construction Net of Depreciation Expense

(602)

8,184

See Accountant's Compilation Report

<b>COMPANY NAME</b>	Southland Utilities Company, Inc.
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### **BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 15,148	\$ 15,824
134	Working Funds		
135	Temporary Cash Investments	7,054	6,116
141	Customer Accounts Receivable	11,374	10,780
146	Notes/Receivables from Associated Companies	78,212	82,922
151	Plant Material and Supplies	4,087	2,961
162	Prepayments	92	74
174	Miscellaneous Current and Accrued Assets	11,883	13,567
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 127,850	\$ 132,244
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 581,022	\$ 488,115
103	Property Held for Future Use		
105	Construction Work in Progress	15,801	107,099
108	Accumulated Depreciation – Utility Plant	(292,793)	(298,614)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 304,030	\$ 296,600
	<b>TOTAL ASSETS</b>	\$ 431,880	\$ 428,844

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**COMPANY NAME**

Southland Utilities Company, Inc.

**BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 3,329	\$ 3,484
232	Notes Payable (Current Portion)	85,000	85,000
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	1,313	1,475
236	Accrued Taxes	5,438	5,910
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	19,427	18,853
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 114,507</b>	<b>\$ 114,722</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 0	\$ 0
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	3,249	3,182
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	105,798	105,798
272	Less: Amortization of Contributions	(98,364)	(98,966)
281	Accumulated Deferred Income Tax	13,027	13,215
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$ 23,710</b>	<b>\$ 23,229</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 138,217</b>	<b>\$ 137,951</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 6,000	\$ 6,000
211	Paid in Capital in Excess of Par Value	135,692	135,692
215	Retained Earnings	151,971	149,201
218	Proprietary Capital (Sole Props and Partnerships)	N/A	N/A
	<b>TOTAL CAPITAL</b>	<b>\$ 293,663</b>	<b>\$ 290,893</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 431,880</b>	<b>\$ 428,844</b>

See Accountant's Compilation Report

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 138,042	\$ 137,790
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	5,727	5,670
	<b>TOTAL REVENUES</b>	<b>\$ 143,769</b>	<b>\$ 143,460</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 0	\$ 0
610	Purchased Water	0	0
615	Purchased Power	26,715	29,467
618	Chemicals		0
620	Repairs and Maintenance	25,511	32,026
621	Office Supplies and Expense	6,617	14,962
630	Outside Services	40,910	48,250
635	Water Testing	5,339	3,092
641	Rents	0	0
650	Transportation Expenses	0	0
657	Insurance – General Liability	507	432
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	5,159	2,741
403	Depreciation Expense	12,525	8,184
408	Taxes Other Than Income	0	65
408.11	Property Taxes	7,607	9,456
409	Income Tax	(3,386)	722
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 127,504</b>	<b>\$ 149,397</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 16,265</b>	<b>\$ (5,937)</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 3,206	\$ 3,332
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	(67)	(165)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ 3,139</b>	<b>\$ 3,167</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 19,404</b>	<b>\$ (2,770)</b>



**COMPANY NAME**

Southland Utilities Company, Inc.

**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	N/A	N/A	N/A	N/A
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 18,608

Meter Deposits Refunded During the Test Year

\$ 3,238

<b>COMPANY NAME</b>	Southland Utilities Company, Inc.
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
626,149	40	150	600	12"	4"	1967
626,150	50	170	600	14" -12" -10"	6"	1968

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
40	1	6	N/A
5	1		
10	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
25,000	1	10,000	1
62,000	1	5,000	1

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b>	Southland Utilities Company, Inc.
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>

### **WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

#### **MAINS**

Size (in inches)	Material	Length (in feet)
2	Steel	1,000
3		N/A
4	AC	18,122
5		N/A
6	AC	28,260
8		N/A
10		N/A
12		N/A
6	PVC	2,711

#### **CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	531
3/4	N/A
1	N/A
1 1/2	N/A
2	2
Comp. 3	N/A
Turbo 3	1
Comp. 4	N/A
Tubo 4	1
Comp. 6	N/A
Tubo 6	N/A

For the following three items, list the utility owned assets in each category for each system.

#### **TREATMENT EQUIPMENT:**

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#### **STRUCTURES:**

Office Trailer

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#### **OTHER:**

Office Furniture and Equipment

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***Note: If you are filing for more than one system, please provide separate sheets for each system.***

**COMPANY NAME:** Southland Utilities Company, Inc.

**Name of System:** ADEQ Public Water System Number:

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007**

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	596	3,310	3,476	0
FEBRUARY	597	3,059	3,212	0
MARCH	597	3,795	3,985	0
APRIL	603	4,443	4,665	0
MAY	607	4,693	4,928	0
JUNE	600	5,196	5,456	0
JULY	600	5,733	6,020	0
AUGUST	597	3,926	4,122	0
SEPTEMBER	604	4,610	4,841	0
OCTOBER	606	3,924	4,120	0
NOVEMBER	611	3,357	3,525	0
DECEMBER	605	2,963	3,111	0
TOTALS →		49,009	51,461	0

What is the level of arsenic for each well on your system? Not Required mg/l  
(If more than one well, please list each separately.) yet

If system has fire hydrants, what is the fire flow requirement? 250 GPM for 7 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
( ) Yes (x) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
( ) Yes (x) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
( ) Yes (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

COMPANY NAME Southland Utilities Company, Inc. YEAR ENDING 12/31/2007

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 8,642.11

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SOUTHLAND UTILITIES CO INC**

2730 E BROADWAY BLVD STE 135

TUCSON, AZ 85716

520-327-6000

7344

DATE 10.11.2007

91-574/1221  
41505

PAY  
TO THE  
ORDER OF

Marsha Bonham

\$ 4,643.30

Four Thousand Six Hundred forty Three - 30/100 -

DOLLARS



**Compass Bank**

Tucson, Arizona

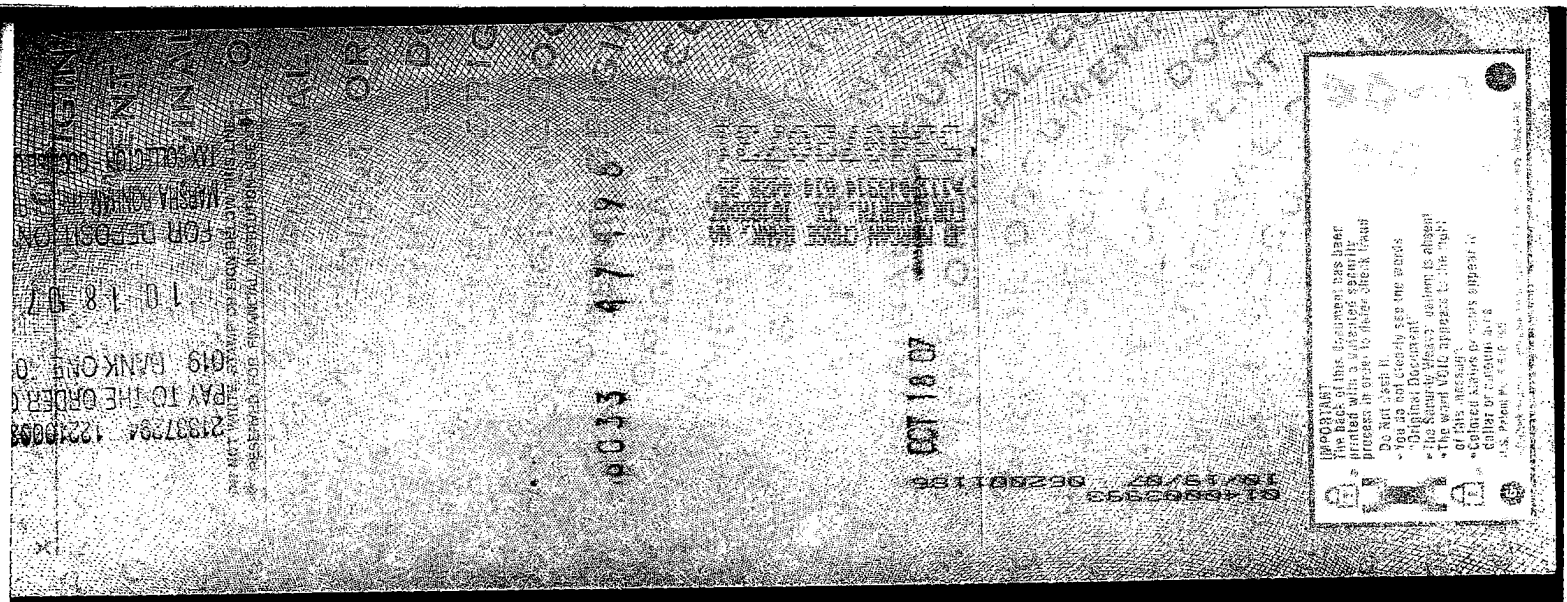
FOR

924 56870

Andrew L. Rowe

⑈007344⑈ ⑆122105744⑆ 0065001891⑈

⑈0000464330⑈



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dollar or amount area  
U.S. Patent No. 5,510,195

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001 23 07

21337894-1221005  
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018-BANK ONE  
PO 12007  
FOR DEPOSIT ON  
MARSHA BONHAM TREAS  
TAX COLLECTOR COCHISE

**SOUTHLAND UTILITIES CO INC**  
2730 E BROADWAY BLVD STE 135  
TUCSON, AZ 85716  
520-327-6000

7

9080056-012

7342

DATE 10.10.2007

91-574/1221  
41505

PAY  
TO THE  
ORDER OF

Marsha Bonham - Cochise County Treasurer

\$ 168.92

One Hundred Sixty Eight — 92/100 —

DOLLARS

Security features  
are included.  
Details on back.



**Compass Bank**  
Tucson, Arizona

FOR 0906513

Andrew L. Rocco

MP

⑈007342⑈ ⑆122105744⑆ 0065001891⑈

⑈0000016892⑈

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7247

**SOUTHLAND UTILITIES CO INC**

2730 E BROADWAY BLVD STE 135  
TUCSON, AZ 85716  
520-327-6000

91-574/1221  
41505

DATE June 6, 2007

PAY  
TO THE  
ORDER OF

Cochise County

\$ 3,829.89

Three Thousand Eight Hundred Twenty Nine - 89/100 DOLLARS



**Compass Bank**

Tucson, Arizona

Parcel 9245689000-8

Andrew L. Povo

MP

⑈007247⑈ ⑆122105744⑆ 0065001891⑈

⑈0000382989⑈

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6030

86749

JUN 11 2007

JP MORGAN CHASE BANK, NA  
FORT WORTH, TX 76102  
⑆1119918314⑆ 011178 23

524004165



**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

RECEIVED  
CORP COMM  
Arizona Utilities

**VERIFICATION**

STATE OF \_\_\_\_\_  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) Pima
NAME (OWNER OR OFFICIAL) TITLE Andrew L. Romo, President
COMPANY NAME Southland Utilities Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Andrew L. Romo  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 327-6000  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

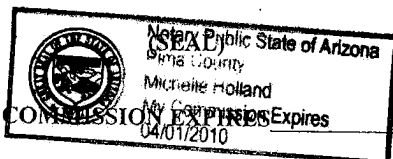
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

14<sup>TH</sup>

DAY OF April

COUNTY NAME Pima	
MONTH April	2010



Michelle Holland  
SIGNATURE OF NOTARY PUBLIC

04/01/2010

COMPANY NAME Southland Utilities Company, Inc.

YEAR ENDING 12/31/2007

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>2,307</u>
Estimated or Actual Federal Tax Liability	<u>346</u>
State Taxable Income Reported	<u>2,445</u>
Estimated or Actual State Tax Liability	<u>165</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>                    </u>
Amount of Gross-Up Tax Collected	<u>                    </u>
Total Grossed-Up Contributions/Advances	<u>                    </u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Andrew L. Romo  
SIGNATURE

4.14.08  
DATE

Andrew L. Romo

PRINTED NAME

President

TITLE

**VERIFICATION  
AND  
SWORN STATEMENT**  
Intrastate Revenues Only

RECEIVED

**VERIFICATION**

STATE OF \_\_\_\_\_

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Pima
NAME (OWNER OR OFFICIAL) TITLE
Andrew L. Romo, President
COMPANY NAME
Southland Utilities Company, Inc.

RECORDED  
Director Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 146,665

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 8,875

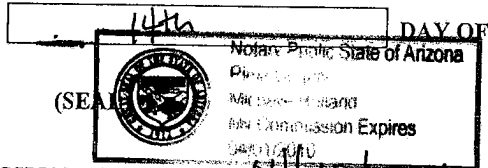
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



MY COMMISSION EXPIRES

Andrew L. Romo  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 327-6000  
TELEPHONE NUMBER

COUNTY NAME		
Pima		
MONTH	April	2010

Michelle Holland  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

RECEIVED

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Andrew L. Romo	TITLE President
COMPANY NAME Southland Utilities Company, Inc.	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 127,211

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 7,760  
IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

Andrew L. Romo  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 327-6000  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

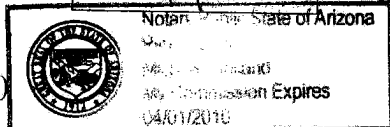
**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

14th

**DAY OF**

(SEAL)



**MY COMMISSION EXPIRES**

04/10/2010

NOTARY PUBLIC NAME Michelle Sherman	
COUNTY NAME Pima	
MONTH April	2008

X Michelle Holland-Sherman  
SIGNATURE OF NOTARY PUBLIC